

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6347**

**BILL NUMBER:** SB 112

**NOTE PREPARED:** Dec 1, 2006

**BILL AMENDED:**

**SUBJECT:** Attorney Fees In Annexations.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill requires a municipality that initiates an annexation to pay all court costs and reasonable attorney's fees if the annexation is remonstrated against and the court enters judgment against annexation.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary-* Municipalities named as defendants in annexation litigation would have to pay reasonable attorney's fees and court costs to annexation remonstrators when courts enter judgement for the remonstrators. The amount of attorney and court fees paid by municipalities would depend on the number of involuntary annexations that are successfully stopped by court decision. Although the amount of attorney's fees awarded to a plaintiff could be significant for a specific municipality involved in involuntary annexation litigation, it is not likely that, in aggregate, the bill would require a significant increase in municipal expenditures.

*Background: Annexations-* There were 134 completed annexations that were filed with the Office of Census Data in 2005. Based on a recent survey response, through October 2006, a handful of either completed or pending *involuntary* annexations have occurred over the last couple of years. The City of Carmel filed three involuntary annexations in 2004 that continue in litigation to present day. Fishers filed four in 2005 that are on hold pending an Indiana Supreme Court decision involving a separate Carmel/Clay annexation. One town

has indicated that an annexation was completed in 2005 that was one signature short of the number of signatures necessary to file for a remonstrance. During this same time period, at least four involuntary annexations were completed without remonstrance. *(This section will be updated as additional information becomes available.)*

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** All municipalities except a consolidated city.

**Information Sources:** Office of Census Data annexation database; Jodie Woods, Indiana Association of Cities and Towns.

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